

RESOLUTION NO. 25-0075

A RESOLUTION OF THE MANHATTAN BEACH CITY
COUNCIL ESTABLISHING THE APPROPRIATIONS LIMIT
FOR FISCAL YEAR 2026

THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES AS
FOLLOWS:

SECTION 1. The City Council makes the following findings:

A. Government code Section 7910 requires the City Council to establish its appropriations limit pursuant to Article XIII B of the State Constitution; and

B. The appropriations limit to be applied to the “proceeds of taxes” as defined by Section 7910 of the Government Code for Fiscal Year 2026 has been calculated to be \$109,934,879.

SECTION 2. The City Council elects to use as the annual adjustment factors in calculating the appropriations limit, the percentage change in California per capita income and the annual population for the City of Manhattan Beach.

SECTION 3. The City Council hereby establishes the appropriations limit for the City of Manhattan Beach for Fiscal Year 2026 at \$109,934,879.

SECTION 4. This Resolution shall take effect immediately.

SECTION 5. The City Clerk shall certify to the adoption of this Resolution.

ADOPTED on June 3, 2025.

AYES:

NOES:

ABSENT:

ABSTAIN:

AMY THOMAS HOWORTH
Mayor

ATTEST:

LIZA TAMURA
City Clerk

APPROPRIATIONS LIMIT CALCULATION

Article XIII B of the California State Constitution, commonly referred to as the Gann Initiative or Gann Appropriations Limit, was adopted by California voters in 1980 and placed limits on the amount of proceeds of taxes that State and local agencies can appropriate and spend each year.

The limit is different for every agency and changes each year. The annual limit is based on the amount of tax proceeds that were authorized to be spent in fiscal year 1978-79, modified for changes in inflation and population. Inflationary adjustments are based on increases in the California per capita income or the increase in non-residential assessed valuation due to new construction. An adjustment is also made based on changes in Manhattan Beach's population or County population.

For fiscal year 2026, the estimated tax proceeds appropriated by the Manhattan Beach City Council are under the Limit. The adjusted Appropriation Limit for fiscal year 2026 is \$109,934,879. This amount is the maximum amount of tax proceeds the City is able to appropriate and spend in fiscal year 2025-2026. The appropriations subject to the Limit are \$82,375,604, leaving the City with an appropriations capacity of \$27,559,275.

Section 7910 of the State Government Code requires a governing body to annually adopt, by resolution, an Appropriations Limit for the upcoming fiscal year.

SPENDING LIMIT CALCULATION - FISCAL YEAR 2026

Appropriations subject to limit

Fiscal Year 2026 Revenues (all funds)	\$196,573,797
Less: Non tax proceeds	114,198,193
Plus: User fees in excess of costs	-
Total appropriations subject to limit	<u>\$82,375,604</u>

Appropriation limit

Fiscal Year 2025 adjusted appropriation limit	\$102,974,503
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A. Population adjustment (Based on change in City/County population)	1.003000
B. Change in per capita income	1.064400

Total Annual Adjustment = (A multiplied by B) **1.067593**

Increase in appropriation limit	\$6,960,376
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Fiscal Year 2026 appropriation limit **\$109,934,879**

Appropriations subject to limit	<u>\$82,375,604</u>
Remaining appropriation capacity	\$27,559,275

Available capacity as a percent of appropriation limit **25.07%**